

# Vessels

---

## General

For purposes of property taxation, vessels are considered to be personal property, in which taxes are a personal liability of the assessee. The appraisal and assessment of vessels present challenges due to the transitory nature of vessels, the various configurations and applications of use of vessels, the great diversity of builders and manufacturers of vessels, and the many types of vessels in use.

[Section 130\(a\)](#) provides that "vessel" includes every description of watercraft used or capable of being used as a means of transportation on water, but does not include aircraft. [Section 130\(b\)](#) defines a "documented vessel" as any vessel which is required to have and does have a valid marine document issued by the U.S. Coast Guard (except documented yachts of the United States) or that is registered or licensed by the Department of Motor Vehicles (DMV). A documented vessel does not include any vessel exempt from taxation pursuant to [article XIII, section 3\(l\)](#) of the California Constitution.

Vessels are included on the local unsecured roll as personal property. Whether trailered or kept in the water, vessels are moved so frequently that it is difficult to determine if they are actually located upon a specific parcel of real property on the lien date. Therefore, it is reasonable that a vessel be enrolled on the unsecured roll, so that it is not a lien on real property. Special assessments are not levied against vessels, since vessels are classified as personal property and special assessments are levied against real property only.

## Scope of Review

The BOE's assessment practices survey team evaluates the assessor's practices and procedures regarding vessels.

The specific areas of review may include, but are not limited to, the following:

### General Program Elements

- Does the assessor have written procedures and policies regarding vessel assessments?
- How many of the following types of vessels are being assessed in the county and what is the total assessed value for each type?
  - Pleasure vessels?
  - Documented vessels?
- What discovery tools does the assessor utilize to discover taxable vessels in the county?
  - DMV reports?
  - Marina reports?
  - Referrals from other counties?
  - Field canvassing?

- Other?
- Does the assessor have access to the DMV's vessel database?

## Forms

- Does the assessor utilize Board-prescribed forms regarding vessels?
  - [BOE-576-D, Vessel Property Statement](#)?
  - [BOE-576-E, Affidavit for 4 Percent Assessment of Certain Vessels](#)?
  - BOE-576-C, *List of Vessels* (suggested use, not required)?
  - Others?
- If the assessor uses Board-prescribed forms, does the assessor apply a 10 percent penalty when the form is not returned or not returned timely?
- Does the assessor utilize any county-developed forms regarding vessels?
- If the assessor uses a county-developed form in lieu of a Board-prescribed form, does the assessor apply a penalty if the county-developed form is not returned or not returned timely?
- Does the assessor send property statements to all vessel owners annually or only when a transfer of a vessel occurs?
- Does the assessor send postcards to all vessel owners annually, which state the value of the vessel and request sales information from the vessel owner?
- Does the assessor send [BOE-576-D, Vessel Property Statements](#), annually to the owners of vessels costing over \$100,000?

## Valuation

- Does the assessor use noncertified staff in the vessel valuation process? If so, in what capacity?
- If noncertified staff prepares vessel values, does a certified appraiser or auditor-appraiser review those values prior to enrollment?
- Does the assessor use a recognized vessel value guide to value vessels? If so,
  - *BUC Used Boat Price Guide* (BUC)?
  - National Automobile Dealers Association *Marine Appraisal Guide* (NADA)?
  - *ABOS Marine Bluebook* (ABOS)?
  - Others?
- If the assessor uses a recognized value guide to value vessels, is the correct edition of the value guide being used for the lien date?
- Does the assessor make adjustments to the indicated book value for added equipment and vessel condition?
- Does the assessor add sales and use tax, plus freight charges, as an increment of value when valuing vessels?
- Does the assessor use other market data to assist in the vessel valuation process?
- Does the assessor assess vessels that are being restored or repaired? If so, how are adjustments being made to the value?

- Does the assessor use valuation factors to annually revalue vessels? If so, are these factors based on current market data or are the factors based on an arbitrary fixed amount?
- Does the assessor use the same valuation approach each year to value vessels on the lien date? If so, what methods have been used and why, and what is the current method being used to value vessels for the lien date?

#### **Documented Vessels**

- Are owners of documented vessels required to annually file both forms [BOE-576-D](#) and [BOE-576-E](#)?
- For documented vessels being assessed at 4 percent of their full cash value pursuant to [section 227](#), does the assessor obtain the necessary documentation from the vessel owner to show that all requirements were met before allowing the partial exemption?
- How does the assessor handle late-filed claims for documented vessels?
- What are the assessor's valuation procedures for documented vessels qualifying for the 96 percent exemption and for documented vessels that do not meet the requirements for this partial exemption?
- How does the assessor assess a documented vessel that has a market value that exceeds the limit stated in the county's low-value ordinance, but the 4 percent of full cash value is below that limit?

#### **Low-Value Vessels**

- Does the county have a low-value ordinance in place that exempts from taxation personal property having a full value that falls below a certain low-value threshold? If so, what is the low-value threshold for exemption?
- How many vessels in the county does the assessor exempt from taxation that has a market value of \$400 or less?
- Are any of these exempt vessels with a market value of \$400 or less being used in connection with a business, trade, or profession?